

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

PAYMENT ALLIANCE
INTERNATIONAL,

Plaintiff,

- against -

MANUEL FERREIRA,

Defendant.

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DATE FILED: 10/12/07 *ck*

Index No. 07 CIV 8685 (BSJ)

STIPULATION AND ORDER

This Stipulation is made and entered into as of this 10th day of October 2007 by and among MANUEL FERREIRA ("Ferreira"), CYNERGY DATA, INC. ("Cynergy"), and PAYMENT ALLIANCE INTERNATIONAL ("PAI") (collectively, the "Parties").

WHEREAS, on October 1, 2007, Ferreira, then employed as an executive employee of the plaintiff, PAI, in the position of Senior Vice President of Bankcard Operations, advised PAI that he was resigning his employment and intended to commence employment as a senior executive with Cynergy; and

WHEREAS, on October 9, 2007, PAI commenced an action (the "Action") in the United States Court for the Southern District of New York, Judge Jones presiding (the "Court"), seeking, among other things, an injunction prohibiting Ferreira from working for Cynergy and otherwise breaching the covenants and other material

terms of his Executive Employment Agreement ("Agreement") dated September 20, 2005; and

WHEREAS, on October 9, 2007, PAI also filed a motion by order to show cause seeking a preliminary injunction with temporary restraints against Ferreira's working for Cynergy or otherwise breaching the covenants and other material terms of his Stipulation; and

WHEREAS, on October 9, 2007 the Court issued a temporary restraining order, which is attached hereto as Exhibit A ("TRO"); and

WHEREAS, the Parties have communicated a good-faith intention to attempt to resolve their differences over Ferreira's entitlement to work for Cynergy; and

WHEREAS, the Parties now wish to preserve the *status quo* in order to explore the prospects for resolving the matters in dispute; and

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt of which is acknowledged by the Parties, the Parties stipulate and agree as follows:

1. The Parties each consent to, and shall request that the Court, continue the TRO in effect through and including Monday, October 15, 2007, and adjourn the hearing presently scheduled for 3:00 p.m. on October 10, 2007 (the "Hearing") to another date and time, as set forth below (the "Adjourned Hearing").

2. If the Parties do not resolve their differences prior to the beginning of the business day on Monday, October 15, 2007, they shall advise the Court of such and request that the Court schedule the Adjourned Hearing to a date and time as soon as

practicable on or after Monday, October 15, 2007. If the Adjourned Hearing is not scheduled for Monday, October 15, 2007, then the Parties each consent to, and shall request that the Court, continue the TRO in effect through the conclusion of the Adjourned Hearing

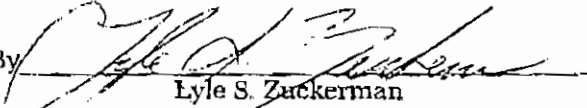
3. If the Court declines to continue the TRO in effect pursuant to the Parties' request in accordance with Paragraphs 1 or 2 above, then Ferreira shall abide by its terms as if the Court had continued the TRO as set forth in Paragraphs 1 and/or 2 above, and any breach thereof constitute a breach of this Stipulation for which PAI shall be entitled to injunctive and other relief.

4. Neither Ferreira nor Cynergy shall commence any action or proceeding against PAI in any court prior to the conclusion of the Adjourned Hearing.

5. Cynergy shall not intervene or seek to join as a party in the Action prior to the commencement of the Adjourned Hearing.

DATED: October 10, 2007

KAUFF MCCLAIN & MCGUIRE LLP

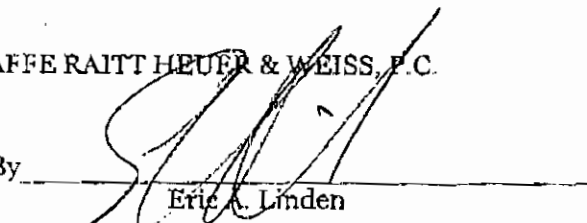
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DATED: October 10, 2007

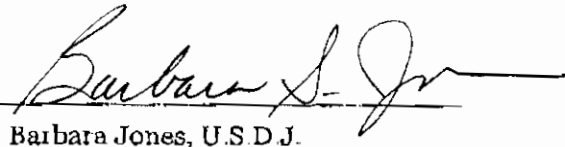
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Attorneys for Manuel Ferreira and Cynergy Data, Inc.

So Ordered:


Barbara Jones, U.S.D.J.

10/10/07